

damage that they brought to our shores. Economists have estimated that if those events had not occurred, this economy would have grown at about 5 percent in the last quarter. The good news is that this economy continues to grow.

The question that most thinking people would ask, how can this be when most of the media, financial and otherwise, keep saying how awful this economy is, how it has no staying power, how it has no energy at all? I am reminded of the old adage that says that even a broken clock is right twice a day. If people keep predicting that there will be a recession, sooner or later they are going to be right.

This chart demonstrates that the past 10 quarters have been phenomenal. That is 2½ years. Growth during that time has been greater than 3 percent for every single quarter and in some of those quarters it has been greater than 4 percent. Again thinking people would ask, What happened 10 quarters ago to bring this about? What began this growth cycle? Curiously, that is about the time when the tax cuts on dividends and the tax cuts on capital gains and the tax cuts on income taxes were clear that they were going to take effect retroactive to January 1, 2003. That is all good news.

What is more, real business investment has grown at an average annual rate of 9 percent over that period of time, nearly twice the rate of the overall economy. This investment in business is exactly what the tax cuts were meant to address. The evidence is very, very clear. The tax cuts have had the effect that they were desired to have.

How about the deficit, you ask? Well, that has improved as well, decreasing by nearly \$100 billion over the past fiscal year alone. That is good news, Mr. Speaker. How could that be, lowering tax rates, increasing tax revenue and decreasing the deficit? That is exactly what lowering taxes does.

I have heard my colleagues on the other side say, well, nobody else is being lifted up. In fact, the unemployment rate reached 4.9 percent in August 2005. Most economists will tell you that an unemployment rate of 5 percent is full employment, because people are changing jobs and moving. That is good news surrounding our Nation as it relates to the economy.

Soon Congress must decide whether to make these tax cuts permanent or they will expire. I think the evidence is extremely clear. If we wish this good news on the economy to continue, the tried and true policy of decreasing taxes will result in an increase in economic growth, more money in people's pockets and more financial success for more Americans. Just look at the evidence. This is the evidence that decreasing taxes works for all Americans, 10 straight quarters of economic growth.

I urge my colleagues to embrace this good news and act expeditiously to make certain that the tax cuts be permanent.

TAX COMMISSION MISSES OPPORTUNITY

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from Georgia (Mr. LINDER) is recognized during morning hour debates for 5 minutes.

Mr. LINDER. Mr. Speaker, the President's tax commission has completed its work and sent its report to the Treasury Department. When this started 8 or 9 months ago, I said as often as I could that I wish you would not appoint a commission because the only thing that I have seen commissions do in my lifetime is raise taxes. Only on the rich, of course.

Well, guess what: This commission has decided to raise taxes only on the rich. They chose not to do anything bold. They took a tax system that you and I have come to know and love and kept it in place and did nothing to do the exciting things they could have done. The FairTax bill, which I have introduced, would have changed much of what we know about the tax system. For example, the commissioners knew that 22 percent of what we currently pay for at retail represents the embedded cost of the current IRS. You are paying the tax cost and compliance cost of every one of the thousands of corporations and businesses that it took to make that house. The only way a business can pay a bill is through price and consumers are the only taxpayers in the world. They chose to ignore that and leave us disadvantaged in the global economy with a 22 percent tax component in our price system. The FairTax, by getting rid of the IRS, would have ended that. The Tax Foundation has concluded that in 2003 we spent \$203 billion just complying with the Tax Code. We spent 6.6 billion man-hours. They chose to ignore that. Getting rid of that cost would add a 2 or \$3 trillion tax cut over 10 years to create jobs and create wealth. They chose to ignore that. The FairTax, by getting rid of the IRS, would have eliminated that.

They knew, as we know, that currently 2 to \$3 trillion is in the underground economy, not paying taxes. They chose to leave that in place and not change that by keeping the IRS in place. The FairTax, by getting rid of the IRS and taxing consumption, would have taxed the underground economy.

They knew, as we know, that there is today in offshore financial centers, in dollar denominated deposits, \$10 trillion. These are deposits that want to be in dollars for safety and they want secrecy. If we were to get rid of the IRS, those dollars would be in our markets and our banks and our credit unions. And we would not have the bankruptcies of Delta and Northwest and United and future bankruptcies to come because their pension plans are not up to par because the driving up of the markets with those \$10 trillion would have saved them. They chose to ignore that and did nothing bold.

The President has made a very clear case that Social Security can drown us

all. What he did not say was that Medicare was four times as bad as Social Security. They constitute for us today and our grandchildren a \$75 trillion problem. Let me put that in perspective for you. If you started a business on the day Jesus Christ was born and lost \$1 million a day through yesterday, it would take you another 719 years to lose \$1 trillion. \$75 trillion.

The FairTax changes the way we gather money for Social Security. Instead of taxing 158 million workers to pay for the retirees, we tax 300 million Americans every time they buy something and 50 million visitors to our shores to save those programs in 15 years by doubling the size of the economy in 15 years. The tax commission chose to ignore that.

Mr. Speaker, it is sad to put all of that effort into play for so many months and come up with such a predictable result, which is to raise taxes on the wealthy. This is not going to change anything. They pointed out in an article in today's paper, two of the commissioners, that the last major simplification was in 1986 and they reduced two levels of taxation and eliminated many deductions. They further pointed out that it has been amended 15,000 times since then. Do they believe that future Congresses are not going to be the same if you have the income tax in place? I think they are wrong. I think they missed a wonderful opportunity to do something bold for our economy and something bold for our country and it saddens me.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 55 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GINGREY) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, the Founders of this Nation were not merely reacting to the problems of their day. They lived with the conviction that something totally new was happening.

The great seal of this Nation presented to the world a new order of the ages. And lest anyone forget where this all came from, the Founders added to the seal, "He," presumably You, Lord God, "has favored our beginnings."

Eternal as You are, enlighten the Members of Congress today to understand that the challenges to be faced today are as old as society: poverty,